

SECRET

14 July 1950  
111

## COMMUNIST CHINA'S ROLE

As it becomes more apparent that the fighting in Korea will be prolonged, the military capabilities of the Chinese Communists, as well as Soviet intentions regarding the use of these capabilities, provide the principal key to the outcome of the fighting in Korea and to whether the fighting will spread to other areas of the Far East. Before the US action in Korea, the Chinese Communists were believed capable of launching, individually or simultaneously, successful military action against Korea, Hong Kong and Macao, or Indochina; a Chinese Communist invasion of Taiwan, though costly, was also considered within Communist capabilities. Events since then, however, have affected Chinese Communist capabilities for action in the three key areas of Korea, Taiwan, and Indochina, and have raised new political and strategic problems regarding the use of Chinese Communist military forces in these areas.

**Aid to Korea** The USSR will be confronted with a difficult problem if forced to decide whether to permit a North Korean defeat or to use Chinese Communist troops to win or prolong the struggle indefinitely. Although a North Korean defeat would have obvious disadvantages, the commitment of Chinese Communist forces would not necessarily prevent such a defeat and a defeat under these circumstances would be far more disastrous; not only because it would be a greater blow to Soviet prestige throughout the world, but because it would seriously threaten Soviet control over the Chinese Communist regime. Even a victory in Korea through the use of Chinese Communist troops would have its disadvantages for the Kremlin. The presence of Chinese Communist troops in Korea would complicate if not jeopardize Soviet direction of Korean affairs; Chinese Communist prestige, as opposed to that of the USSR, would be enhanced; and Peiping might be tempted as a result of success in Korea

- 9 -

SECRET

~~SECRET~~

to challenge Soviet leadership in Asia. In addition to these purely internal difficulties, the use of Chinese Communist forces in Korea would increase the risk of global war, not only because of possible UN or US reaction but because the USSR itself would be under greater compulsion to assure a victory in Korea, possibly by committing Soviet troops.

**Taiwan Invasion**      The principal problems confronting the Kremlin in deciding whether to permit an invasion of Taiwan are the nature and extent of US reaction and the risk of global war precipitated because of the spread of Communist military aggression. Several factors may lead to a decision to launch an assault on Taiwan before the typhoon season in late August. Recent evidence indicates that Chinese Communist forces are poised for the invasion and available land, sea and air forces may now be capable of launching a successful assault. If a sizeable beachhead is established, the resultant panic in Nationalist ranks might well induce desertions and snowballing defections sufficient to cause a virtual collapse of organized Nationalist resistance. The Peiping regime is already publicly committed to the Taiwan operation and the operation would not divert forces which might be needed in Korea. In addition, the USSR may reason that US support of Taiwan would gain less international support than the defense of South Korea and that the invasion should be undertaken before the US can reinforce its "neutralization" forces in the Formosa Strait. Despite these favorable considerations the fact remains that an invasion of Taiwan would be an immensely costly operation with the resulting political and strategic advantages balanced by the increased risk of precipitating a global war which it is believed the USSR does not presently desire.

- 10 -

~~SECRET~~

~~SECRET~~

Support for Indochina      Indochina offers the Chinese Communists their greatest opportunity for expanding Communist influence in Asia with the minimum military or political risks. From a military viewpoint, the Indochina conflict has been a stalemate. Despite considerable successes, the French have been unable fully to capitalize on their superiority in equipment and manpower because of the essentially guerrilla nature of the fighting and the terrain which prevents large-scale operations. Given equipment and supplies similar to that of the French, the forces of Ho Chi-Minh could shift the course of the present inconclusive warfare in their favor. The Chinese Communists have the capabilities to supply the material needed by Ho Chi-Minh and may be expected to step up such assistance in the immediate future.

- 11 -

~~SECRET~~